AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL No. 1373

Introduced by Assembly Member Skinner

February 27, 2009

An act to add Chapter 11.1 (commencing with Section 25970) to Division 15 of the Public Resources Code, relating to global warming.

LEGISLATIVE COUNSEL'S DIGEST

AB 1373, as amended, Skinner. Global warming potential (GWP): refrigerants.

Existing law requires the State Energy Resources Conservation and Development Commission to adopt a regulation prescribing standards for minimum levels of operating efficiency to promote the use of energy and water efficient appliances. *The commission is required to prescribe building design and construction, and energy and water conservation standards for residential and nonresidential buildings (building standards).*

This bill would enact the California Refrigeration and Air-Conditioning ~~Improvement~~ *Innovation Review* Act of 2009 and would require the commission by December 1, 2011, *as a part of the revision of the buildings standards in 2011 and using existing staff and funds*, to develop *and to conduct, in consultation with the State Air Resources Board,* a ~~plan~~ *study* containing specified elements to ~~phase out the Use~~ *assess the potential to dramatically reduce the use and emissions* of high-global warming potential (GWP) compounds, as defined, in the ~~commercial~~ *stationary* refrigeration and air-conditioning industry ~~by January 1, 2020~~. *The bill would require the commission, on or before January 1, 2012, to submit to the Legislature and to post*

on its Internet Web site the findings and results of the study. The bill would authorize the commission to use funds, to the extent they are available, to develop programs encouraging the installation of reduced high-GWP charge systems and dedicated low-GWP systems for stationary refrigeration and air-conditioning units. The bill would authorize the board to use certain fees, to the extent they are available, to develop programs encouraging the installation of reduced high-GWP charge systems and dedicated low-GWP systems for stationary refrigeration and air-conditioning units, and programs to reduce or prevent the emissions of high-GWP compounds.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Global warming caused by emissions of greenhouse gases continues to pose a serious threat to the economic well-being, public health, natural resources, and environment of California.

(b) Due to their nature, gases that possess a high global warming potential (GWP) value ~~represent a significant source of emissions even when released in small volumes.~~ *affect climate change several orders of magnitude more than carbon dioxide*

(c) While high-GWP gases are used in a variety of applications~~,~~ ~~commercial~~ *such as in refrigeration, air-conditioning, and food and medicine preservation, stationary* refrigeration and air-conditioning systems *are projected to* represent the single largest source of high-GWP gas emissions in California *in 2020*, an amount roughly equivalent to 30 million metric tons of carbon dioxide equivalents.

(d) Although alternative technologies with significantly *decreased refrigerant charges and* lower GWP value gases do exist ~~and are being used for commercial~~ *for stationary* refrigeration and air-conditioning purposes ~~outside the United States~~, widespread use has not occurred either in California or nationally.

(e) ~~Foreign~~ *Some foreign* governments have ~~begun to require~~ *urged* the phase out of the use of high-GWP gases in ~~commercial~~ refrigeration and air-conditioning units.

(f) Even though ~~phasing out~~ *dramatically reducing the use of* high-GWP compounds from ~~commercial~~ *stationary* refrigeration and air-conditioning units in California could provide significant emissions reductions ~~and energy efficiency benefits~~, detailed consideration of potential regulatory approaches, *safety,* technology applicability *and availability, energy efficient tradeoffs*, expected economic impact and possible incentive programs is valuable to ~~plan a successful transition away from the use of high-GWP compounds~~ *ensure the state's goals are aligned*.

(g) While it is within the existing authority of the State Energy Resources Conservation and Development Commission to set appliance *and building* standards for energy use, ~~legislative direction to create a plan to phase out high-GWP gases from California refrigeration and air-conditioning units would assist the state's transition to long-term greenhouse gas emissions reductions.~~ *it is also within the commission's authority to consider environmental impacts, including, but not limited to, impacts on global warming.*

(h) While it is within the State Air Resources Board's authority to establish regulations to reduce greenhouse gases, an in-depth assessment of the statewide regulatory options, and potential impacts of those options, to dramatically reduce emissions of high-GWP gases would assist the board's effort to adopt a maximum technologically feasible and cost-effective approach.

SEC. 2. Chapter 11.1 (commencing with Section 25970) is added to Division 15 of the Public Resources Code, to read:

CHAPTER 11.1. REFRIGERATION AND AIR-CONDITIONING

25970. This chapter shall be known and may be cited as the California Refrigeration and Air-Conditioning ~~Improvement~~ *Innovation Review* Act of 2009.

~~25970.5. (a) On or before December 1, 2011, the commission shall develop a plan to phase out the use of high-GWP compounds in the commercial refrigeration and air-conditioning industry by January 1, 2020. The plan shall include, but is not limited to, all of the following:~~

~~(1) Identification of barriers to phasing out the use of high-GWP compounds within California commercial refrigeration and air-conditioning units, including, but not limited to, potential~~

~~economic impacts on California's economy, existing incentive programs, existing laws and regulations, and technology availability.~~

~~(2) New incentive programs to promote the market adoption of alternatives to the high-GWP compounds used in California commercial refrigeration and air-conditioning units.~~

~~(3) Comparisons of potential approaches to accelerate the adoption of alternative commercial refrigeration and air-conditioning technology in California.~~

~~(b) For the purposes of this section, "high-GWP" means a global warming potential that is greater than 150 carbon dioxide equivalent.~~

25970.5. (a) For the purposes of this chapter the following terms have the following meanings:

(1) "Dedicated low-GWP system" means stationary refrigeration and air-conditioning equipment containing zero-GWP gases.

(2) "High-GWP" means a global warming potential that is greater than 150 carbon dioxide equivalents.

(3) "Low-GWP" means a global warming potential that is less than or equal to 150 carbon dioxide equivalents.

(4) "Reduced high-GWP charge system" means stationary refrigeration and air-conditioning equipment with a gas charge at least 40 percent below the business as usual charge rate for equipment of a particular size, use, and function.

(b) On or before December 1, 2011, as part of the revisions of the regulations prescribed pursuant to Section 25402 in 2011, the commission shall, to the extent allowable utilizing existing staff and funding, develop and conduct a study to assess the potential to dramatically reduce the use and emissions of high-GWP compounds in the stationary refrigeration and air-conditioning industry in California. The study shall include, but is not limited to, all of the following:

(1) An analysis of the nexus between energy efficiency and direct greenhouse gas emissions within stationary refrigeration and air-conditioning systems and an assessment of the energy efficiency of low-GWP systems.

(2) An analysis of the current technological status of stationary refrigerant and air-conditioning systems using low-GWP materials and their potential for use in California.

(3) An analysis of the economic costs at the consumer and state level associated with low-GWP installation. The analysis shall include, but is not limited to, the costs of manufacturing, equipment operation and maintenance, personnel training, and equipment importation.

(4) An analysis of the safety of low-GWP materials.

(5) Identification of existing laws, codes, regulations, and incentive programs pertinent to the safety and energy efficiency of stationary refrigeration and air-conditioning systems.

(6) An analysis of how existing laws, codes, regulations, and incentive programs can be modified to promote the use of low-GWP refrigerants and systems that use low-GWP refrigerants in stationary refrigeration and air-conditioning systems.

(7) Recommendations for new incentive programs and pilot programs to promote the use of low-GWP refrigerants and systems that use low-GWP refrigerants in stationary refrigeration and air-conditioning systems.

(8) An assessment of the potential for adoption of reduced high-GWP charge systems and dedicated low-GWP systems in stationary refrigeration and air-conditioning units in California by 2020.

(c) The commission shall conduct the study in coordination with the State Air Resources Board to ensure all of the following:

(1) The State Air Resources Board has the opportunity to participate in the development and preparation of the findings of the study.

(2) The State Air Resources Board has the opportunity to coauthor a portion of the final report concerning the environmental impact of refrigerants, refrigeration systems or air-conditioning systems, including, but not limited to, impacts on climate change and ambient air quality.

(3) Meetings between appointed representatives of the commission and of the State Air Resources Board, shall be held no less frequently than once every other month between January 1, 2010, and the completion of the final report. The executive director of the commission and of the State Air Resources Board shall appoint a representative for his or her agency, respectively.

(4) The study is conducted and finalized in an open and public process, with meaningful opportunity for the public to participate prior to release of the final report.

(d) On or before January 1, 2012, the commission shall submit to the Legislature and post on its Internet Web site the findings and results of the study.

(e) The commission may utilize existing funds, to the extent they are available, to perform both of the following:

(1) Develop incentive programs to promote the installation of reduced high-GWP charge systems and dedicated low-GWP systems for stationary refrigeration and air-conditioning units in California.

(2) Develop pilot projects within California to install reduced high-GWP charge systems and dedicated low-GWP stationary refrigeration and air-conditioning units.

(f) The State Air Resources Board may use funds, to the extent they are available, generated from fees assessed on high-GWP refrigerants used for stationary refrigeration and air-conditioning units and on stationary refrigeration and air-conditioning units containing high-GWP compounds to do all of the following:

(1) Develop incentive programs to promote the installation of reduced high-GWP charge systems and dedicated low-GWP systems for stationary refrigeration and air-conditioning units in California.

(2) Develop pilot projects within California to install reduced high-GWP charge systems and dedicated low-GWP systems.

(3) Develop worker training programs to promote the installation of reduced high-GWP charge systems and dedicated low-GWP systems in California.

(4) Develop programs to reduce or prevent the emissions of high-GWP compounds to the atmosphere from in-use and retired stationary refrigeration and air-conditioning units, The programs may include, but are not limited to, worker training for inspection and maintenance of in-use equipment, destruction of high-GWP compounds, and creation of protocols to quantify reduction of emissions.

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